

# **Agenda Item 8**

## **Terms of Reference**



## **Falkirk Integration Joint Board Audit Committee**

**3 December 2021**

**Terms of Reference**

**For Noting**

### **1. Executive Summary**

- 1.1 This report presents the Terms of Reference to the Audit Committee as part of an annual review to ensure they are accurate and remain fit for purpose.

### **2. Recommendations**

The Audit Committee is asked to:

- 2.1 Review the Terms of Reference included at Appendix 1
- 2.2 Agree to the changes to the Terms of Reference proposed by the Chief Finance Officer.

### **3. Background**

- 3.1 As previously agreed by the Audit Committee, the terms of reference will be reviewed on an annual basis to ensure they are appropriate and continue to help facilitate the work of the Committee.
- 3.2 The Terms of Reference were last reviewed by the Audit Committee on 4 December 2020.

### **4. Conclusions**

- 4.1 Revised terms of reference are attached as Appendix 1 to this report. Changes proposed by the Chief Finance Officer are highlighted in red.

#### **Resource Implications**

There are no implications arising from this report.

#### **Impact on IJB Outcomes and Priorities**

An effective Audit Committee contributes to the achievement of the IJB's strategic outcomes and priorities.

#### **Directions**

A new Direction or amendment to an existing Direction is not required as a result of the recommendations of this report.

### Legal & Risk Implications

There are no legal or risk implications arising from this report. The terms of reference support the Audit Committee to effectively discharged its duties as part of the IJB's risk management framework. It is important therefore that the terms of reference are regularly reviewed to ensure they continue to be fit for purpose.

### Consultation

The Internal Audit, Risk and Corporate Fraud Manager and Chief Governance Officer have been consulted on the proposed changes to the Terms of Reference.

### Equalities Assessment

There are no equalities implications arising from the proposals in this report.

## 5. Report Author

Jillian Thomson, Chief Finance Officer

## 6. List of Background Papers

None

## 7. Appendices

**Appendix 1:** Falkirk Integration Joint Board (IJB) Audit Committee Terms of Reference

## Falkirk Health and Social Care Integration Joint Board (IJB) Audit Committee Terms of Reference

### Constitution

The IJB shall appoint the Committee. The Committee should agree the professional advisors it requires on a regular and adhoc basis. The Committee is required to review its terms of reference on an annual basis.

The Committee will meet at least twice per annum. ~~The Committee will be supported and serviced by the Chief Finance Officer.~~ The minutes of the Audit Committee will be submitted to the IJB. The Audit Committee ~~should~~ will formally report to the IJB ~~formally~~ on an annual basis.

### Chairperson

The Chairperson of the Committee will be a voting member nominated by the IJB, noting that the Chairperson of the IJB would not normally be a member of the Audit Committee.

### Membership

The Committee will be comprised of 2 voting members (one from health and one from the Council) and 2 non-voting members as nominated by the IJB.

The Chief Officer, Chief Finance Officer, Chief Social Work Officer and other officials may attend on an advisory basis.

### Quorum

Half of the voting members will constitute a quorum.

### Papers/administration

Agendas, minutes and accompanying papers will be issued 5 clear days in advance of the meeting date by Falkirk Council's Democratic Services Team.

### Purpose

The purpose of the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, as well as independent scrutiny of the financial and non-financial performance. This is to the extent that it affects the IJB's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

### Functions Referred to fulfil this purpose

The following functions of the IJB shall stand referred to the Audit Committee:

1. Assess the adequacy and effectiveness of the IJB's internal controls, **performance**, and corporate governance arrangements, and consider the annual governance reports and assurances to ensure that the highest standards of probity and public accountability are demonstrated;
2. Ensure existence of and compliance with an appropriate Risk Management Strategy;  
Review risk management arrangements and receive regular risk management updates

and reports;

3. Review and approve the Internal Audit Annual Plan on behalf of the IJB, receive reports, and oversee and review progress on actions taken on audit recommendations and report to the IJB on these as appropriate. An Internal Audit Annual Assurance Report will be provided to the Committee providing an overall opinion on the IJB's arrangements for risk management, governance and control;
4. Consider the External Audit Annual Plan on behalf of the IJB, receive reports, and consider matters arising from these and management actions identified in response before submission to the IJB. The Audit Committee may also consider relevant national audit reports particularly those relating to Health and Social Care Integration from Audit Scotland, **inspection agencies or other relevant bodies**;
5. Approve the annual financial accounts;
6. The Committee is responsible for ensuring best value for those delegated functions **and**
7. The Committee is authorised by the IJB to investigate any activity within its terms of reference, and in so doing, may seek any information it requires.